



IN THE

Supreme Court of the United States

OCTOBER TERM 1978

NO. 78-1150

ANNE D. NICKOLA, Petitioner

vs.

**KENNETH PETERSON d/b/a
KAYDEE PRODUCTS COMPANY,
Respondent**

BRIEF FOR RESPONDENT OPPOSING PETITIONER'S PETITION FOR WRIT OF CERTIORARI

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RESPONDENT.

BRIEF FOR RESPONDENT OPPOSING PETITIONER'S
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Respondent, Kenneth Peterson, doing business as Kaydee Products Company, opposes the granting of Petitioner's petition for writ of certiorari, and in support of such opposition presents this brief.

STATEMENT OF THE CASE

Petitioner's brief contains no statement, as such, of the case, and omits certain matters which respondent believes

are pertinent to the issues presented by the petitioner. Accordingly, respondent submits the following to amplify and clarify the issues.

On March 18, 1973, petitioner filed a complaint in the United States District Court for the Eastern District of Michigan - Flint, accusing respondent of infringing (all claims of) reissue patent No. 27,400. On November 18, 1975, trial commenced before a jury. On petitioner's motion, trial was limited to claims 4 and 21 of the patent.

At the conclusion of the presentation of petitioner's testimony, the respondent presented a motion for a directed verdict as to all issues, including the invalidity of claims 4 and 21. Such motion was denied.

At the conclusion of the presentation of all testimony and evidence for both parties, and prior to submission of the issues to the jury, counsel for both petitioner and respondent presented motions orally in open court requesting a directed verdict in favor of the respective parties as to all issues. Both motions were denied.

The trial court thereupon submitted the case to the jury which was required to answer 15 separate interrogatories. On November 26, 1975, the jury returned its verdict. Some interrogatories, including Nos. 2, 3, 5, and 6 (here in issue), were answered "yes", others were answered "no" and interrogatory No. 15, relating to the amount of damages suffered by petitioner, was determined by the jury to be \$6,230.00.

Following entry of the verdict, respondent filed a timely motion for judgment notwithstanding the verdict or alternatively for a new trial with accompanying brief.

On December 12, 1975, pursuant to instructions from the Court, respondent filed a memorandum as to invalidity, as a matter of law, of claims 4 and 21 of reissue patent No. 27,400.

On March 8, 1976, the trial court filed its memorandum opinion and order setting aside the jury's affirmative answers to interrogatories Nos. 2, 3, 5, and 6, setting aside the jury's answer to interrogatory No. 15 awarding damages to petitioner in the amount of \$6,230.00,

granting respondent's motion for judgment notwithstanding the verdict, denying respondent's alternative motion for a new trial, and declaring claims 4 and 21 of reissue patent No. 27,400 invalid for want of novelty under 35 USC 101 and for obviousness under 35 USC 103.

Petitioner subsequently appealed to the United States Court of Appeals for the Sixth Circuit seeking reversal of those portions of the decision of the trial court in setting aside the jury's answers to interrogatories Nos. 2, 3, 5, 6, and 15 and declaring claims 4 and 21 of reissue patent No. 27,400 invalid.

On June 23, 1978, the United States Court of Appeals for the Sixth Circuit filed an opinion in which it reversed the holding of invalidity of claims 4 and 21 for want of novelty under 35 USC 101, but affirmed the setting aside of the jury's answers to interrogatories Nos. 2, 3, 5, 6, and 15, and affirmed the trial court's decision that claims 4 and 21 of reissue patent No. 27,400 are invalid for obviousness under 35 USC 103.

Petitioner thereupon filed a

petition for rehearing en banc. Such petition was denied.

THE QUESTION PRESENTED TO THIS
COURT BY PETITIONER

Petitioner submits to this Court that the question presented by the proceedings below is:

Whether the trial court exceeded its jurisdiction, as limited by the Seventh Amendment of the United States Constitution, by setting aside a jury verdict favoring validity of the Nickola patent, and then finding that the infringer, Peterson, had met his statutory burden of proof, under 35 USC 282, based upon the same evidence passed upon and rejected by the jury.

In support of her position, petitioner points out that the Seventh Amendment of the Constitution specifies that "... no fact tried by a jury shall be otherwise re-examined in any Court of the United States, than according to the rules of common law."

Petitioner appears to base her petition on the following:

1. No fact found by a jury can be reexamined under any circumstances.
2. That the jury's answering affirmatively interrogatories Nos. 2, 3, 5, and 6 necessarily means that claims 4 and 21 of reissue patent No. 27,400 are valid and that the jury's answers to such interrogatories cannot be set aside.
3. Respondent presented no credible evidence at the trial which would warrant setting aside the jury's answers to the interrogatories and which is sufficient to rebut the statutory presumption, under 35 USC 282, that a patent shall be presumed valid.

RESPONDENT'S VIEW OF THE QUESTIONS
PRESENTED BY PETITIONER'S PETITION

Respondent does not agree that the question propounded by petitioner truly represents the issue. Respondent submits that the issue is represented by the following questions:

1. May a Court grant a motion for

judgment notwithstanding the verdict and set aside a jury's findings of facts without contravening the Seventh Amendment?

2. Did the procedure followed by the courts below in setting aside the jury's answers to interrogatories Nos. 2, 3, 5 and 6 comply with the Seventh Amendment?

3. Were the courts below correct in holding that the question of patent validity is one of law?

SUMMARY OF RESPONDENT'S ARGUMENTS

The language of the Seventh Amendment to the Constitution prohibiting reexamination of a fact tried by a jury otherwise "than according to the rules of common law" manifestly permits the reexamination of such facts according to the rules of common law. If no such reexamination were permitted, under any circumstances, then the reference in the Amendment to the rules of common law has no meaning. The inquiry, therefore, must be whether the rules of common law were applied in the reexamination of those

facts which were reexamined. Respondent submits that the rules of common law scrupulously were followed, both by the trial court and by the appellate court.

In support of their respective conclusions, both the trial court and the appellate court referred to testimony and evidence, both uncontested and uncontroverted, including evidence introduced and testimony given by petitioner herself, which not only justified, but compelled, setting aside the jury's answers to interrogatories Nos. 2, 5, and 15.

In view of a long and unbroken chain of decisions by this Court, there can be no question at this date that the validity of a patent is a question of law for determination by a court, and not a question of fact for determination by a jury.

Petitioner did not raise any issue involving the Seventh Amendment until she filed her petition for rehearing en banc by the Court of Appeals. Such

issue, therefore, cannot be a proper subject for review at this time.

Petitioner's petition does not present any novel, unresolved, special, or important reasons within the meaning of Court Rule 19 which compel the granting of certiorari.

THE SEVENTH AMENDMENT AND JUDGMENTS NOTWITHSTANDING THE VERDICT

The common law practice and the constitutionality of granting motions to set aside a jury's verdict pursuant to the Seventh Amendment have been well established by a trilogy of cases, the first of which is Slocum v. New York Life Insurance Co., 228 US 364 (1913), wherein this Court stated:

"... at common law there were two well-recognized instances in which the verdict could be disregarded and the case disposed of without a new trial. One was where the defendant's plea confessed the plaintiff's cause of action and set up

matter in avoidance, which even if true, was insufficient in law to constitute a bar or defense; and the other was where the plaintiff's pleading, even if its allegations were true, disclosed no right of recovery. If in either instance a verdict was taken, the court nevertheless can make such disposition of the case as was required by the state of the pleadings, and this because the issues settled by the verdict were wholly immaterial. In the first instance the court's action was invoked by a motion for judgment non-obstante veredicto, and in the latter by a motion to arrest judgment on the verdict."

In the second case, Northern Railway, v. Page, 274 US 65 (1927), this Court approved the District Court's use of the Massachusetts practice of entering judgment in a case on the basis of one of alternate verdicts requested of the jury because of the Court's indecision as to whether a directed verdict

was proper. This practice was held not to be a reexamination of the facts within the meaning of the Seventh Amendment.

In the third case, Baltimore and Carolina Line v. Redman, 295 US 654, (1935), this Court approved entry of a judgment after verdict, and contrary thereto, where, in accordance with the state practice, the federal district judge had expressly reserved decision on a motion for a directed verdict.

Rule 50(b), Federal Rules of Civil Procedure, permits a motion for judgment notwithstanding the verdict to be filed and considered whenever a motion for a directed verdict made at the close of all the evidence is denied or for any reason is not granted, and specifically provides that "the court is deemed to have submitted the action to the jury subject to a later determination of the legal questions raised by the motion."

Each of the Slocum, Page, and Redman cases preceded the adoption of Rule 50(b). Accordingly, it is clear that the common law practice with re-

spect to judgments notwithstanding the verdict was that a trial court, following the presentation and denial of a motion for a directed verdict at the close of all evidence, and upon the timely filing of a motion for judgment n.o.v., could reexamine its decision to deny the motion for a directed verdict.

The decisions in these three cases formed the basis for the adoption of Rule 50(b) and such Rule reflects the common law practice, with the single exception that the Rule makes automatic the Court's reserving for later determination the legal questions raised by the motion. Thus the constitutionality of the procedure sanctioned by Rule 50(b) cannot be doubted. In fact, the courts assume the propriety of its use. Montgomery Ward & Co. v. Duncan, 311 US 243 (1940); Berry v. United States, 312 US 450, (1941); Maniaia v. Potomac Electric Power Co., 268 F2d 793 (CA 4, 1959), cert. denied 361 US 913.

THE COURTS BELOW DID COMPLY
WITH THE SEVENTH AMENDMENT

Having established the constitutionality of a court's setting aside a jury's findings pursuant to Rule 50(b), the next question to be considered is whether the procedure sanctioned by Rule 50(b) has been followed in this case. Respondent respectfully submits that such procedure was indeed followed in this case, both by the trial court and by the appellate court. Although it does not appear from petitioner's brief, it is a fact that, following the close of the evidence, respondent moved the court for a directed verdict in his favor as to all issues in suit and that such motion was denied. See page A49 of the appendix accompanying petitioner's brief. Accordingly, two of the requirements relating to motions for judgment notwithstanding the verdict were met. That is, (1) respondent presented a motion for a directed verdict at the close of all the evidence and (2) such motion was denied. Subsequently, respondent presented to the trial court a timely motion for judgment notwithstanding the

verdict, together with an alternative motion for a new trial, accompanied by a brief. This fact also is referred to on pages A49 and A50 of the appendix accompanying petitioner's brief. Thus, all requirements of Rule 50(b) as a condition precedent to consideration of the issues raised by the motion for judgment n.o.v. were complied with by respondent.

THE STANDARDS FOR GRANTING MOTIONS FOR JUDGMENT N.O.V.

Since all the requirements of Rule 50(b) were complied with by respondent, the next question for examination is whether the lower courts applied the proper standards in granting and affirming respondent's motion for judgment notwithstanding the verdict. It is submitted on behalf of respondent that such standards were applied by both courts below.

The standards for granting a motion for judgment notwithstanding the verdict, and on which the constitutionality of such action depends, are the same as those governing the direction of a

verdict. See Moore's Federal Practice, Section 50.07[2] and the cases cited therein. This Court, in Brady v. Southern Railroad, 320 US 477 (1943), set forth the standards applicable to the direction of a verdict (and hence to motions for judgment n.o.v.) as follows:

"When the evidence is such that without weighing the credibility of witnesses there can be but one reasonable conclusion as to the verdict, the court should determine the proceeding by nonsuit, directed verdict or otherwise in accordance with the applicable practice without submission to the jury, or by judgment notwithstanding the verdict."

For a court to reexamine its decision on a motion to direct a verdict after the jury has returned its verdict is not a denial of the constitutional right to a jury trial, nor a reexamination of any facts tried by the jury, for the reason that a motion for a directed verdict presents only a question of law. Ryan Distributing Corp. v. Caley, 147

F2d 138 (CA 3 1945).

The rule announced in the Brady case requires consideration by a court of the evidence without weighing the credibility of witnesses. On pages 10-12, 21, 23, 28, and 31 of her brief, however, petitioner refers to and challenges the credibility of witness Francis Boyle, notwithstanding the fact that the credibility of a witness cannot be considered in a question involving Rule 50(b). It is manifest, however, that the trial court did not weigh the credibility of Mr. Boyle in granting respondent's motion for judgment notwithstanding the verdict. In support of this observation reference is made to the following statements in the trial court's opinion:

"The testimony of plaintiff [petitioner] was to the effect that the gas meter, the electric meter, and the electric power box functioned in precisely the same manner when installed as parts of the Power Pack Pedestal [petitioner's trademark for her product]

as when mounted independently. Plaintiff does not claim that the elements do produce a new or different result and it is plain that no such result was even intended. Plaintiff produced the pole and internal wiring for the pole, and provided braces on which the utility companies would then install ordinary gas and electric meters, which were meant to operate in the same manner when installed as any other meter." (Pages A53 and A54 of the appendix accompanying petitioner's brief.)

"The uncontroverted evidence before the Court is that there is no cooperation between the elements in plaintiff's [petitioner's] claimed invention and that no cooperative result is produced other than the sum of the independent functions of those elements." (Page A56 of the appendix accompanying

petitioner's brief.)

"From plaintiff's [petitioner's] testimony, it is plain that the mounting of both electric and gas meters on posts was the established practice prior to her claimed invention." (Page A58 of the appendix accompanying petitioner's brief.)

The significance of the foregoing is that the trial court found, and the appellate court affirmed, upon examination of uncontroverted evidence and the testimony of petitioner herself, that the component parts of her claimed invention, when assembled, functioned in the precise manner that they functioned separately; that there was no cooperation among the elements of petitioner's claimed invention; that no result of the combination of the elements of petitioner's claimed invention was produced other than the sum of the independent functions of such elements; and that the mounting of electric meters and gas meters on posts was the established practice prior to

petitioner's claimed invention. This evidence is in direct conflict with the jury's answers to interrogatories nos. 2 and 5. Since such evidence was uncontroverted, there obviously was no evidence on which the jury could base affirmative answers to these interrogatories.

The facts referred to above correspond to the facts urged by respondent at the time of presenting his motions for a directed verdict.

It long has been the law that, in a patentable invention, the individual elements of a claimed combination of elements must cooperate with one another to produce a result other than that produced by the sum of the individual elements themselves. Great A & P Tea Co. v. Supermarket Equipment Corp., 340 US 147 (1950); Anderson's Black Rock, Inc. v. Pavement Salvage Co., 396 US 57 (1969); Graham v. John Deere Co., 383 US 1 (1966); Sakraida v. Ag Pro, Inc., 96 S Ct. 1532 (1976). In a case where, as here, petitioner herself acknowledged the fact that there is no cooperation among the

elements of her claimed invention and that no cooperative result is produced other than the sum of the independent functions of those elements, then claims reciting such an aggregative assemblage of elements are not and cannot be valid under the law.

From the foregoing, it is apparent that, in their examination of the evidence pursuant to respondent's motion for judgment notwithstanding the verdict, the lower courts kept their examinations well within the bounds permitted by the Seventh Amendment.

INTERROGATORIES 2 AND 5 VIS-
A-VIS INTERROGATORIES 3 AND 6

The immediately foregoing discussion has been confined to interrogatories Nos. 2 and 5 and does not relate to interrogatories 3 and 6. This is because interrogatories Nos. 2 and 5 inquire into the result obtained by a plurality of individual elements when combined as compared to the results obtained by the individual elements when not combined. The result

obtained by a combination of elements operating in concert is a proper subject of inquiry in determining the validity of a patent claim reciting such combination. Interrogatories Nos. 3 and 6, however, do not relate to the result produced by a combination of elements acting in concert. Instead, these interrogatories relate to whether the result is unusual or unexpected.

Whether the result of a combination of elements is or is not unusual or unexpected has nothing to do with a claim's validity, for the reason that the unusualness or unexpectedness of a result is not, and cannot be, a requirement for patentability. As was succinctly stated by the appellate court in its opinion (page A30 of the appendix accompanying petitioner's brief), "... a requirement for a new function would nullify the statutory provision for patenting 'improvements' which necessarily perform the old function of the now-improved device." Hence, it is respondent's position that regardless of whether the jury's answers to interrogatories Nos. 3 and 6 were or were not set

aside, such answers do not and cannot have any bearing on the question of the validity of the patent claims in issue, nor can such answers "favor" validity as is asserted by petitioner.

With respect to interrogatories Nos. 2 and 5, each inquires whether the various elements of the combination claimed by petitioner produces a combined result other than the result produced by the individual components operating separately. Although the jury answered each of these interrogatories affirmatively, the uncontroverted testimony, including that of petitioner herself, was directly to the contrary. As pointed out above, there was no evidence on which the jury could base an affirmative answer to either of these interrogatories, and that was the holding of both the district court and the appellate court.

PATENT VALIDITY IS A QUESTION OF LAW

Since at least 1950, the date of this Court's opinion in the A & P case, it consistently has been held by this Court

that patent validity is a question of law. In the John Deere (1966) case, the Court held "... the ultimate question of patent validity is one of law ..." The same observation was made in the opinion in the Sakraida case in 1976.

If there was any doubt in 1974, as asserted by petitioner on page 30 of her brief, that patent validity is a question of law, and thus one to be decided by a Court rather than a jury, it would appear that the 1976 opinion of this Court in the Sakraida case should dissolve all such doubt.

Respondent therefore submits that the trial court in the present case properly ruled that the question of validity of claims 4 and 21 of petitioner's reissue patent No. 27,400 was one for the court to make and that the jury did not, and could not, properly rule on the validity of such claims.

PETITIONER'S RELIANCE NOW ON THE
SEVENTH AMENDMENT IS AN AFTERTHOUGHT

Petitioner complains in her brief that the trial court ignored the Seventh Amendment, that the appellate court refused to acknowledge the existence of the Seventh Amendment, and that the courts of the Sixth Circuit ignore the constitutional rights of patent owners by refusing to reconcile such courts' practice with the Seventh Amendment. It is not believed that any of these allegations is true.

On the contrary, the record in the present case reveals that no reference to the Seventh Amendment was made by petitioner until her request for rehearing en banc was filed. Her reliance now upon the Seventh Amendment thus appears to be an afterthought. Had petitioner earlier raised the issue now sought to be raised, such issue could have been adjudicated so as to provide a proper basis for review. This, however, was not done and respondent submits that petitioner should not be

permitted to litigate before this Court an issue which was not previously urged below.

PETITIONER PRESENTS NO SPECIAL AND
 IMPORTANT REASONS FOR GRANTING
CERTIORARI

Petitioner does not make the explicit assertion that her petition presents special and important reasons for the granting of certiorari under this Court's Rule 19 and, therefore, both the Court and respondent are left to grope for what such reasons may be. It appears, however, that petitioner feels some courts hold patent validity is a question of law, whereas other courts hold it is a question of fact. If this is, indeed, one of petitioner's reasons, it would appear that this Court disposed of the conflict in its opinion in the Sakraida case.

Petitioner also appears to feel that she somehow has been deprived of the full benefits of a jury trial. This position also is without merit

for the reason that each of the courts below fully and faithfully complied with all of the constitutional and statutory requirements of setting aside the jury's answers to Interrogatories Nos. 2 and 5. Petitioner was not deprived of her right to a jury trial; she simply was unable to rebut the uncontroverted evidence adduced by respondent that there was no cooperation among the elements of her alleged combination. In a case where no such cooperation exists, it long has been the law that such a combination of elements is not a patentable invention. See the A & P, John Deere, and Sakraida cases.

Finally, petitioner appears to feel that no finding of a jury can be set aside under any circumstances. Since the Seventh Amendment permits setting aside a jury's finding in accordance with common law, and since this Court has proclaimed what the common law practice is in the Slocum, Page, Redman, and Brady cases, it is clear that petitioner's position is on unfirm ground.

Inasmuch as every reason petitioner appears to assign for the grant of certiorari in this case previously has been disposed of by this Court, not only once, but several times, there is nothing sufficiently special or important to compel the grant of petitioner's petition.

CONCLUSION

Respondent submits that the trial record and the opinions of the lower courts below show conclusively that her rights scrupulously were observed in all the proceedings, that no breach of the Seventh Amendment occurred, and that the issue of validity of claims 4 and 21 of reissue patent No. 27,400 was adjudicated in complete accord with the Constitution, statutes, and case law. This being the case, petitioner's petition presents nothing which constitutes special and important reasons, within the meaning of this Court's Rule 19, for the granting of

the petition. Accordingly, it is submitted that the petition should be denied.

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